**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

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IN THE MATTER OF ADVICE LETTER NO. 1977 - ELECTRIC OF PUBLIC SERVICE COMPANY OF COLORADO TO REVISE THE COMPANY'S COLORADO P.U.C. NO. 8 – ELECTRIC TARIFF TO IMPLEMENT PRO RATA INTERCONNECTION COST SHARING FOR QUALIFIED COMMUNITY SOLAR GARDEN PROJECTS PURSUANT TO COLORADO SENATE BILL 24-207, TO BE EFFECTIVE MARCH 2, 2025	)	**PROCEEDING NO. 25AL-0059E**

UNANIMOUS COMPREHENSIVE SETTLEMENT AGREEMENT

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INTRODUCTION AND IDENTIFICATION OF PARTIES

This Unanimous Comprehensive Settlement Agreement ("Settlement Agreement" or "Agreement") is filed on behalf of Public Service Company of Colorado ("Public Service" or the "Company"), Trial Staff of the Colorado Public Utilities Commission ("Staff"), the Colorado Solar and Storage Association ("COSSA"), the Solar Energy Industries Association ("SEIA"), and the Coalition for Community Solar Access ("CCSA") (collectively, the "Joint Solar Parties"), and SunShare, LLC ("SunShare"). Together, these parties are collectively referred to in this agreement as the "Settling Parties."

This Settlement Agreement is intended to resolve all issues raised by the Settling Parties in this Proceeding with respect to the Company's Advice Letter No. 1977-Electric to establish an interconnection pro rata cost sharing mechanism as required by Colorado Senate Bill 24-207 ("SB 24-207").

. This Settlement Agreement represents a compromise among the Settling Parties on all issues. The diversity of interests represented in this proceeding helped ensure that this negotiated Settlement Agreement serves the public interest. If approved, this Settlement will result in a just and reasonable result and this Settlement is consistent with Colorado law. Therefore, the Settlement Agreement should be approved by the Commission.

SETTLEMENT AGREEMENT

The Settling Parties agree to support Commission approval of the proposals put forward in the Company's Rebuttal Case and other intervenor testimony, with the following modifications:

I. PROGRAM ELIGIBILITY

1. The interconnection pro rata cost sharing mechanism shall apply to front of the meter, distribution-interconnected renewable energy resources ("FTM Distributed Energy Resources") that have executed interconnection agreements with the Company on or after January 1, 2026 and elect to participate in the pro-rata cost sharing program. While the Company's compliance advice letter will initially limit program eligibility to community solar gardens as defined in Commission Rule 3877(a), the Company commits to extending eligibility to FTM Distributed Energy Resources more broadly through a separate advice letter filed within 30 days after the Commission's final decision in this proceeding.

II. SCOPE OF PROGRAM

2. The pro rata cost sharing program will apply to any distribution upgrade that is needed to support the interconnection of a FTM Distributed Energy Resource that occurs in the boundary of a distribution medium-voltage substation fence, including ground fault over-voltage protection (3VO), voltage supervisory reclosing (VSR), new or upgraded substation transformers, and switchgear, subject to the applicable mobilization thresholds described below.

III. MOBILIZATION THRESHOLD

3. To mitigate potential customer rate impacts and ensure that the pro rata cost sharing mechanism is utilized in an efficient manner in line with developer demand, 50 percent of the upgrade cost must be addressed by developer-funded pro rata cost sharing contributions for construction to proceed.

4. Prior to commencing construction, Public Service will provide to applicable developers a minimum 30 days' written notice of when the pro rata payments will become non-refundable due to the mobilization threshold being attained. If developers withdraw and obtain refunds during this notice period, the Company will notify remaining developers of the need to delay construction due to the mobilization threshold no longer being met.

5. A developer may elect to fund costs beyond their share of the pro-rated cost up to the mobilization threshold of the interconnection infrastructure in lieu of waiting for the mobilization threshold to be reached through other developer contributions. In this event, the developer will be eligible to receive pro rata share contributions from future FTM Distributed Energy Resource developers, with repayment facilitated by the Company, that utilize the eligible infrastructure within 10 years of the execution of the initial developer's interconnection agreement to the extent that such additional contributions result in more than 100 percent of the eligible upgrade costs being funded by developers.

IV. PUBLICATION OF COST SHARING INFORMATION TO FACILITATE DEVELOPER COORDINATION

6. To facilitate developer coordination, the Company will publicly post information on distribution substation upgrades funded through the pro rata cost sharing mechanism on its website, including the status of the mobilization threshold percentage reached, the applicable reimbursement period, the amount of available distribution hosting capacity under the DER planning limit, the prorated cost per MW of each upgrade, and an update on the amount of the overall $10 million investment cap available at the time of update. The Company will update this information no less frequently than a quarterly basis.

V. PROGRAM CAP

7. The program will be subject to an overall socialization cap of $10 million in Company-funded investment over the initial four-years of the program, which will be adjusted by developer contributions to the extent they offset the amount of Company-funded investment over the course of the program. To maximize the availability of the cap, the Settling Parties agree to the following process to continually review cap-eligible costs over time:

- The rolling fund under the program cap will be recalculated at least on a quarterly basis to reflect payments made by FTM Distributed Energy Resource developers under executed interconnection agreements..
- Settling Parties agree to review the program cap on an annual basis as an update item during one of the Company's quarterly RES stakeholder meetings or another appropriate meeting that is noticed to RES quarterly stakeholder participants. The Company will provide updates on any FTM Distributed Energy Resources that have requested to participate in the cost-sharing mechanism but could not because funding is not available under the cap.
- The Company will provide an accounting of actual system costs on completion of project close out, and provide adjustments to the FTM Distributed Energy Resource developer and to the cap as appropriate.

VI. COST RECOVERY

8. The Settling Parties agree that the Company may recover the costs of Company-funded investment associated with this program through the Renewable Energy Standard Adjustment ("RESA") as proposed in the Company's Rebuttal Case. In the event that future developments ultimately preclude continued cost recovery through the RESA, the Settling Parties agree that the Company may track and defer the revenue requirements associated with Company-funded investment though this program, including a return at the Company's Commission-approved weighted average cost of capital, and bring such costs forward for recovery through a Phase I electric rate case as

such investments are placed into service. Under the deferral approach, the Company would continue to track and account for developer pro rata cost sharing contributions throughout applicable developer reimbursement periods so that the revenue requirements recovered can be appropriately adjusted to account for such contributions.

9. The Settling Parties also agree that the Company reserves the right to request cost recovery through the Grid Modernization Adjustment Clause ("GMAC") in a future DSP, and the Settling Parties reserve the right to take any position on such a potential request.

VII. REIMBURSEMENT PERIOD

10. Public Service agrees to a reimbursement period (i.e., the time during which the Company will solicit further pro rata cost sharing from additional developers) of 10 years. The reimbursement period will start to run from the execution of the first applicable interconnection agreement utilizing eligible interconnection facilities and continue for 10 years or until the remaining project costs fall below $100,000, whichever happens earlier. During the reimbursement period, the Company will adjust the socialized revenue requirements that the Company recovers in connection with this program to reflect developer contributions received as described in the Company's Direct Case.

VIII. LENGTH OF PROGRAM AND FUTURE FILINGS

11. The Settling Parties agree that the Company's compliance advice letter filing will be updated through a follow-on advice letter filing that broadens program eligibility from community solar gardens as defined in Commission Rule 3877(a) to FTM Distributed Energy Resources. The follow-on advice letter filing will be filed 30 days after final Commission decision in this proceeding, and will be proposed to go into effect 30 days

after the date of filing. Settling Parties agree that this timing will provide adequate due process rights for other parties to protest the advice letter consistent with Commission Rule 1210(a)(VII).

12. The pro rata cost sharing program as reflected herein will have an initial duration of four years (January 1, 2026, through December 31, 2029), and the Company will bring forward its recommended refinements and program improvements in an appropriate application or advice letter proceeding by February 28, 2029, either as a standalone filing or as part of another related proceeding. This will provide an opportunity for thorough stakeholder input and engagement.

IX. VENUE FOR THE COMMISSION'S CONSIDERATION OF ALTERNATIVE PAYMENT OPTIONS

13. The Settling Parties agree that if SunShare or the Joint Solar Parties bring forward recommendations for alternative payment options for the payment of interconnection costs within the Company's pending Renewable Energy Standard ("RES") Compliance Plan (Commission Proceeding No. 25A-0194E), the Settling Parties will not object to that venue for litigating these issues. However, the Settling Parties reserve the right to take any position on the substance of such proposals.

X. GENERAL PROVISIONS

14. Except as expressly set forth herein, nothing in this Settlement Agreement is intended to have precedential effect or bind the Settling Parties with respect to positions they may take in any other proceeding regarding any of the issues addressed in this Settlement Agreement. No Settling Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Settlement Agreement. Furthermore, this Settlement Agreement does not constitute agreement, by

any Settling Party, that any principle or methodology contained within or used to reach this Settlement Agreement may be applied to any situation other than the above-captioned proceeding, except as expressly set forth herein.

15. The Settling Parties agree that the provisions of this Settlement Agreement, as well as the negotiation process undertaken to reach this Settlement Agreement, are just, reasonable, and consistent with and not contrary to the public interest, and should be approved and authorized by the Commission.

16. The discussions among the Settling Parties that produced this Settlement Agreement have been conducted in accordance with Rule 408 of the Colorado Rules of Evidence.

17. Nothing in this Settlement Agreement shall constitute a waiver by any Settling Party with respect to any matter not specifically addressed in this Settlement Agreement.

18. The Settling Parties agree to use good faith efforts to support all aspects of the Settlement Agreement embodied in this document in any hearing conducted to determine whether the Commission should approve this Settlement Agreement, and/or in any other hearing, proceeding, or judicial review relating to this Settlement Agreement or the implementation or enforcement of its terms and conditions. Each Settling Party also agrees that, except as expressly provided in this Settlement Agreement, it will take no formal action in any administrative or judicial proceeding that would have the effect, directly or indirectly, of contravening the provisions or purposes of this Settlement Agreement. However, except as expressly provided herein, each Settling Party expressly reserves the right to advocate positions different from those stated in this Settlement

Agreement in any proceeding other than one necessary to obtain approval of, or to implement or enforce, this Settlement Agreement or its terms and conditions.

19. The Settling Parties do not believe any additional waiver or variance of Commission rules is required to effectuate this Settlement Agreement but agree jointly to apply to the Commission for a waiver of compliance with any requirements of the Commission's Rules and Regulations if necessary to permit all provisions of this Settlement Agreement to be approved, carried out, and effectuated.

20. This Settlement Agreement is an integrated agreement that may not be altered by the unilateral determination of any Settling Party. There are no terms, representations or agreements among the parties which are not set forth in this Settlement Agreement.

21. This Settlement Agreement shall not become effective until the Commission issues a final decision addressing the Settlement Agreement. In the event the Commission modifies this Settlement Agreement in a manner unacceptable to any Settling Party, that Settling Party may withdraw from the Settlement Agreement and shall so notify the Commission and the other Settling Parties in writing within ten (10) days of the date of the Commission order. In the event a Settling Party exercises its right to withdraw from the Settlement Agreement, this Settlement Agreement shall be null and void and of no effect in this or any other proceeding.

22. There shall be no legal presumption that any specific Settling Party was the drafter of this Settlement Agreement.

23. This Settlement Agreement may be executed in counterparts, all of which when taken together shall constitute the entire Agreement with respect to the issues addressed by this Settlement Agreement. This Settlement Agreement may be executed and

delivered electronically and the Settling Parties agree that such electronic execution and delivery, whether executed in counterparts or collectively, shall have the same force and effect as delivery of an original document with original signatures, and that each Settling Party may use such facsimile signatures as evidence of the execution and delivery of this Settlement Agreement by the Settling Parties to the same extent that an original signature could be used.

Dated this 11th day of July, 2025.

Agreed on behalf of:

PUBLIC SERVICE COMPANY OF COLORADO

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